

November 18, 2005

Maine Milk Commission Special Meeting Minutes  
Deering Building, Room 233  
Augusta, Maine 04333

Notices for the November 18, 2005 meeting were distributed to Commission members, intervenors and other interested parties October 21, 2005 and sent to the Secretary of State's Office for posting on November 2, 2005.

**Commission Present:** Colon Durrell, John Joseph Jr., Katherine O. Musgrave and Shelley Doak.

**Commission Absent:** Chair Michael Wiers.

**Department Officials:** Agriculture Commissioner Robert Spear

**Staff Present:** Stanley K. Millay, Executive Director, and Carol Gauthier clerical assistant

**Legal Counsel:** Lucinda White, Assistant Attorney General

**Intervenors Present:** John Blake, H.P. Hood, Inc., John Economy, Garelick Farms of Maine, Thomas Brigham, Oakhurst Dairy

**Others Present:** Fred Hardy, Dale Cole, and Julie-Marie Bickford from the Maine Dairy Industry Association (MDIA), Dr. Timothy Dalton and Lisa Bragg from the University of Maine.

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Meeting called to order at 1:34 P.M. by acting chair, Colon Durrell.

**Agenda Item 1: Minutes:** Shelley Doak made a motion to accept the minutes of the October 21, 2005 and November 8, 2005 meetings. John Joseph seconded. Motion passed 2-0. John Joseph made a motion to accept the minutes of the November 9, 2005 meeting. Shelley Doak seconded. Motion passed 2-0.

**Agenda Item 2: Lucinda White, Assistant Attorney General:** Report moved to Agenda Item 6.

**Agenda Item 3: Minimum Prices:** The prevailing premium is \$1.10 for December 2005 reported by Dairy Marketing Services and Agri-Mark Cooperative.

John Joseph made a motion to accept Schedule 12-05 as presented. Shelley Doak seconded. Motion passed 2-0.

Minimum milk prices adopted include the Federal Order Class I price for December 2005 of \$16.82 plus a processor assessment of \$0.20/cwt. plus a Cost of Production Margin of \$0.89/cwt., plus a handling fee of \$0.93/cwt.

There is no Farm Bill Counter Cyclical Payment (MILC) for December 2005 because Congress has not reauthorized the program at this date.

**Agenda Item 4: Maine Monthly Price Survey:** The Commission reviewed the Maine price survey for November 2005 which included prices for Augusta and Bangor. Commission members expressed concern about Shaw's Supermarket escalating retail prices on Hood, Oakhurst and Garelick brands. Some of which have risen to more than a \$1.73 more than the minimum price set by the Commission. MDIA officials suggested that a

press release should be done to call attention to what they called “excessively high pricing”. MDIA also called for action that would have the Commission develop a suggested retail price that would be required to be posted on the dairy case or put on the label.

The Commission took no action.

**Agenda Item 5: Next Scheduled Meetings:**

- December 23, 2005, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources  
Augusta, Maine
- January 6, 2006, Friday 10:00 a.m. Public Hearing on Producer Margins Rule 26  
Room 319, Department of Agriculture, Food & Rural Resources  
Augusta, Maine
- January 10, 2006, 10:00 a.m. Tuesday, Agricultural Trade Show, Augusta Civic Center  
Augusta, Maine
- January 20, 2006, Friday 2:00 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources  
Augusta, Maine
- February 17, 2006, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources  
Augusta, Maine

**Agenda Item 6: Other:**

1. **Milk Commission Budget:** The Commission Reviewed income and expenditures.
2. **Producer Margins:**

Assistant Attorney General Lucinda White provided a copy of the statutory language that directs the Commission to adopt 3 levels of farm sizes with a range of production and explained to the Commission what that means. Excerpts from the report of the Governor’s Task Force on the Sustainability of the Dairy Industry in Maine were made available.

Timothy Dalton presented a progress report on the cost of milk production in Maine and provided cost of production levels for three different farm sizes in Maine. Dr. Dalton reported that the study was completed and a summary report would be available by the week of November 28.

There was discussion of the report. Dr. Dalton explained production ranges in response to inquiries about appropriate production ranges that would correspond with the three different farm sizes identified in the report.

John Joseph made a motion to recognize the short-run breakeven (SRBE) cost of production for the three different farm sizes identified and further moved that the production range for the first level, Small Farm with a SRBE of \$16.93, be from 0 to 21,355 hundredweights, second level, Medium Farm with a SRBE of \$14.79, be from 21,356 to 49,079 hundredweights and the Large Farm category be over 49,079 hundredweights. Shelley Doak seconded. Motion passed 3-0.

**Agenda Item 7: Executive Session:** The Commission did not go into Executive Session

**Meeting Adjourned:** 3:40 PM

Stanley Millay, Executive Director, Maine Milk Commission